

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

COAST-TO-COAST)
FINANCIAL CORPORATION,)
A Savings and Loan Holding Company,)
Las Vegas, Nevada)
(OTS Docket # H-1562))

and)

SUPERIOR HOLDINGS, INC.,)
A Savings and Loan Holding Company)
Reno, Nevada)
(OTS Docket # H-3460))

Order No. CHI-01-02

Date: February 14, 2001

STIPULATION AND CONSENT TO THE ISSUANCE OF AN
ORDER TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, is of the opinion that grounds exist to initiate administrative cease and desist proceedings against Coast-To-Coast Financial Corporation, Las Vegas, Nevada, OTS Docket Number H-1562 ("CCFC"), and Superior Holdings, Inc., Reno, Nevada, OTS Docket Number H-3460 ("SH"), pursuant to 12 U.S.C. § 1818(b),¹ and

WHEREAS, CCFC and SH desire to cooperate with the OTS and to avoid the time and expense of such administrative proceeding and, without admitting or denying that such grounds

¹ All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

exist, or the Findings of Fact or opinions and conclusions of the OTS, except as to Jurisdiction, paragraph 1, below, which is admitted, hereby stipulate and agree to the following:

1. Jurisdiction. (a) CCFC and SH are individually a “savings and loan holding company” within the meaning of 12 U.S.C. § 1813(w)(3), and 12 U.S.C. § 1467a. Accordingly, each is a “depository institution holding company” as that term is defined in 12 U.S.C. § 1813(w)(1).

(b) Pursuant to 12 U.S.C. § 1818(b)(9), the “appropriate Federal banking agency” may initiate cease-and-desist proceedings against a savings and loan holding company in the same manner and to the same extent as savings associations for regulatory violations and unsafe and unsound acts or practices.

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” to maintain an administrative cease and desist proceeding against such savings and loan holding companies. Therefore, CCFC and SH are subject to the jurisdiction of the OTS to initiate and maintain a cease and desist proceeding against them pursuant to 12 U.S.C. § 1818(b). The Director of the OTS has delegated to the Regional Director of the Central Region of the OTS or his/her designee (“Regional Director”) the authority to issue cease and desist orders where the holding company has consented to the issuance of the orders.

2. OTS Findings of Fact. The OTS finds that CCFC and/or SH currently purchase loans from their wholly-owned subsidiary, Superior Bank FSB, Oakbrook Terrace, Illinois (“Savings Bank”) to support a nationwide mortgage loan origination program operated by the Savings Bank. The Savings Bank is currently experiencing losses in this lending program. The accompanying

Consent Order to Cease and Desist for Affirmative Relief ("Order") is issued to implement modifications to the loan purchases between CCFC and/or SH and the Savings Bank in order to eliminate losses experienced by the Savings Bank within the lending program.

3. Consent. CCFC and SH consent to the issuance by the OTS of the Order. CCFC and SH further agree to comply with all terms of the Order upon issuance and stipulate that the Order complies with all requirements of law.

4. Finality. The Order is issued under 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director or his/her designee for the Central Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers. CCFC and SH waive the following:

(a) the right to be served with a written notice of the OTS's charges against them as provided by 12 U.S.C. § 1818(b);

(b) the right to an administrative hearing of the OTS's charges against them as provided by 12 U.S.C. § 1818(b);

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412; and

(e) the right to assert this proceeding, their consent to the issuance of the Order, the issuance of the Order, the payment of any monies or the provision of any other financial relief as contemplated by the Order as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

6. Other Governmental Actions Not Affected. CCFC and SH acknowledge and agree that the consent to the issuance of the Order is for the purpose of resolving this OTS enforcement matter only, as described in paragraph 2. of this Stipulation, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against or other proceeding, civil or criminal, that may be or has been brought by the OTS or another governmental entity.

7. Miscellaneous. (a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America;

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS' predecessors, successors, and assigns;

(c) The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the construction hereof;


(d) The terms of this Stipulation and the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters; and

(e) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

8. Signature. CCFC and SH represent and warrant that this Stipulation is signed and submitted on their behalf by their duly authorized representatives. A copy of the resolution of the CCFC Board of Directors and of the SH Board of Directors authorizing execution of this Stipulation shall be delivered to the OTS along with the executed original of this Stipulation.

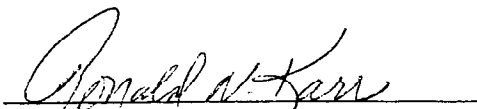
WHEREFORE, Coast-To-Coast Financial Corporation, by its authorized representative, and Superior Holdings, Inc., by its authorized representative, execute this Stipulation and Consent to the issuance of an Order to Cease and Desist For Affirmative Relief, intending to be legally bound hereby.

**COAST-TO-COAST FINANCIAL
CORPORATION**

By: 
Stephen Mann

Dated: 2/14/01

OFFICE OF THRIFT SUPERVISION


Ronald N. Karr
Regional Director
Central Region

Dated: 2-14-2001

SUPERIOR HOLDINGS, INC.

By: 
Stephen Mann

Dated: 2/14/01

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CONSENT ORDER TO
CEASE AND DESIST FOR AFFIRMATIVE RELIEF

WHEREAS, Coast-To-Coast Financial Corporation, Las Vegas, Nevada, OTS Docket Number H-1562 ("CCFC") and Superior Holdings, Inc, Reno, Nevada, OTS Docket Number H-3460 ("SH") by and through their respective Boards of Directors ("Boards"), have executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist for Affirmative Relief ("Stipulation"); and

WHEREAS, CCFC and SH, in the Stipulation, have consented and agreed to the issuance of this Consent Order to Cease and Desist for Affirmative Relief ("Order") pursuant to 12 U.S.C. § 1818(b).¹

¹ All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

WHEREAS, the Director of the Office of Thrift Supervision ("OTS") has delegated to the Regional Directors of the OTS the authority to issue Orders to Cease and Desist on behalf of the OTS where the Holding Companies have consented to the issuance of the Order.

NOW THEREFORE, IT IS ORDERED THAT :

1. (a) CCFC and/or SH shall establish an account at Superior Bank FSB ("the Savings Bank") of which the Savings Bank shall be the sole beneficiary and over which the Savings Bank shall have sole authority to withdraw amounts deposited therein ("the Escrow Account"). The Escrow Account shall be maintained by CCFC and/or SH throughout the term of this Order; and

(b) The Escrow Account shall have on deposit at all times during the term of this Order a sum of money equal to two times (2X) the aggregate amount of any loss the Savings Bank reasonably projects it will incur on the sale of all loans originated by the Savings Bank during the current calendar week, or \$5,000,000, whichever is greater ("the Loss Amount"). On or before the first business day after the execution of this Order, CCFC and/or SH shall deposit into the Escrow Account a sum equal to the Loss Amount. Thereafter, on the first business day of each calendar week, the Loss Amount shall be recalculated and any amount required to restore the balance in the Escrow Account to the Loss Amount shall be paid into the Escrow Account by CCFC and/or SH.

2. Neither CCFC nor SH shall make, declare, or approve any capital distributions without the prior written approval of the Regional Director. For the purpose of this paragraph 2., the term "capital distribution" shall have the same meaning as specified in 12 C.F.R. § 563.141.

3. Neither CCFC nor SH shall issue or incur, or renew or modify, any debt without the prior written approval of the Regional Director.

4. Neither CCFC nor SH shall pledge, encumber, or hypothecate any CCFC or SH assets or Savings Bank assets, including, but not limited to, Savings Bank stock without the prior written approval of the Regional Director.

5. CCFC and SH may, notwithstanding 3. and 4. above, maintain, renew, modify and utilize existing warehouse lines of credit to finance the purchase from the Savings Bank of loans originated by the Savings Bank, and may pledge any loans so purchased from the Savings Bank in connection with the financing of such purchases. The specific terms of any renewal or modification of existing warehouse lines of credit will be provided to the OTS in writing at the time of the renewal or modification.

6. CCFC and SH shall follow Generally Accepted Accounting Principles.

7. Notwithstanding the requirements of this Order that CCFC or SH submit various matters to the Regional Director or his designee for the purpose of receiving his approval, non-objection or notice of acceptability, such regulatory oversight does not derogate or supplant each individual Board member's continuing fiduciary duty. The Boards shall have the ultimate responsibility for overseeing the safe and sound operation of CCFC and SH at all times, including compliance with the determinations of the Regional Director as required by this Order.

8. The individual Boards and officers of CCFC and SH shall take immediate action to cause CCFC and SH to comply with the terms of this Order and shall take all actions necessary or appropriate thereafter to cause CCFC and/or SH to continue to carry out the provisions of this Order.

9. CCFC and/or SH shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

10. All technical words or terms used in this Order for which meanings are not specified or otherwise provided by the provisions of this Order shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, Home Owners' Loan Act ("HOLA"), FDIA or OTS Publications. Any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

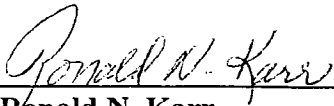
11. Reference in this Order to provisions of statutes, regulations, and OTS Publications shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and references to successor provisions as they become applicable.

12. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. The Stipulation and the Order shall remain in effect until terminated, modified or suspended, in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

13. Nothing in this Order or the Stipulation shall be construed as: (i) allowing CCFC or SH to violate any law, rule, regulation, or policy statement to which it is subject, or (ii) restricting or estopping the OTS from taking any action(s) that it believes are appropriate in fulfilling the responsibilities placed upon it by law.

14. The Stipulation is made a part hereof and is incorporated herein by this reference.

OFFICE OF THRIFT SUPERVISION

By: 
Ronald N. Karr
Regional Director
Central Region